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IN THE BANKRUPTCY COURT OF THE UNITED STATES  
FOR THE DISTRICT OF OREGON

In re:

Aloysius N. Fobi

Debtor-in-possession.

Case No. 23-30948-pcm11

DEBTOR'S STATEMENT IN  
ADVANCE OF CASE STATUS  
CONFERENCE

In anticipation of topics of interest to the Court to be discussed at the Case Status Conference scheduled by the Court for May 31, 2023 the Debtor-in-possession provides the following information:

**Leases/ Executory Contracts**

Debtor's interest in NW Acute Care Specialists, LLC may require that he assume duties pursuant to its operating agreement in order to retain his ownership interest. Such research is ongoing. Debtor will assume any leases and contracts at the time of confirmation or as otherwise ordered by this Court.

**Motions for Relief from Stay**

No motions for relief from stay are pending.

DEBTOR STATEMENT IN ADVANCE OF CASE MANAGEMENT HEARING

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### **Prepetition Taxes**

Debtor has not filed his 2022 tax returns, but he is currently on extension. Debtor has filed all other pre-petition tax returns. A historical analysis of the prior 3 years of tax income and deductions is attached here as Exhibit B.

### **Adequate Protection**

Debtor's real property asset is currently protected against loss pursuant to escrowed insurance with the associated lender. Debtor's vehicle is also insured, the premiums are current, and the United States Trustee is listed as a notice party. Debtor believes the United States Trustee is listed on the insurance policies for notice of cancellation or interruption.

### **Operation of Debtor's Businesses**

Debtor currently is a practicing physician with NW Acute Care Specialists, LLC where he receives W2 income. He also holds a limited ownership interest in that company, 1 share, upon which he received some profit sharing based on his production, similar to a commission. Debtor's other healthcare businesses ceased operation prior to the filing date. Debtor's rental business terminated with the loss of his real property assets in the prior two years.

Debtor does not anticipate the case filing will have a negative impact on any business operations. See attached Weekly 120-day Cash Flow Statement as Exhibit A. Debtor's Exhibit A is subject to further review and revision based on ongoing budget analysis with the Debtor.

### **Chapter 11 Plan**

The Debtor plans file a Motion to terminate the exclusivity period prior to the Case Management Hearing. Upon termination of the exclusivity period, the Debtor will file his Disclosure Statement and Plan of reorganization which will provide for reamortized treatment of some of the creditors purportedly secured to his principal residence. Debtor's Plan will also

provide for some repayment to the unsecured creditors, with no interest, that will exceed the liquidation best interest test. Debtor believes that a trustee liquidation of his assets would not generate any repayment for the unsecured creditors. Debtor's Plan will also authorize a substantial cash New Value Contribution so that the Debtor may retain his equity in the Estate not "on account of" his prior ownership interest. Debtor will not seek fast-track designation, he has not designated himself as a small business debtor, and he is not proceeding under subchapter V. Debtor-in-possession estimates the total future administrative expenses at between approximately \$10,000 and \$20,000. Debtor estimates their professional services budget will be: June - \$3,000, July - \$6,000, August - \$2,000, September - \$1,000, October - \$1,000, November - \$1,000. Debtor's counsel received \$34,700 as a prepetition retainer subject to ultimate court approval. From the retainer, Debtor's counsel transferred \$26,491.50 pre-petition for pre-filing services, paid the bankruptcy court a filing fee of \$1,738, and there is currently \$6,407.50 remaining in the Debtor's trust account.

### **Feasibility**

Debtor believes that a reasonable likelihood of a successful Chapter 11 plan exists. Debtor has a well-paying job as a practicing physician and he believes he will be able to work sufficient hours to satisfy his proposed Plan obligations. Further, Debtor's New Value Contribution will allow him to perform the Plan even through potential seasonal or temporary reduction in his hours at his W2 employment. Further, Debtor believes he has some equity in his real property and that the real property will continue to appreciate during performance of the Plan. Debtor can and will access that equity, if needed, to help perform the Plan.

### **Cash Collateral**

Some of the Debtor's income or assets may be subject to a cash collateral security agreement in favor of Bankers Healthcare Group. Debtor filed an Interim Motion for Authority to use the Cash Collateral on May 1, 2023, and the Court entered an Interim Order authorizing use of the Cash Collateral on May 5, 2023. The Debtor subsequently withdrew his request for final authority to use Cash Collateral on May 9, 2023. Debtor has instead proceeded to segregate his W2 and non-W2 earnings, now in separate DIP Accounts, to avoid any potential issues with cash collateral going forward through confirmation of his Plan. Debtor believes he can survive in the short term on only his W2 income during the pendency of the confirmation process.

**Application for Employment of Professionals**

Debtor-in-possession filed an Application for Employment of counsel on April 28, 2023 and that Application is still pending as of the date of this Statement. An application for employment of an accountant will be forthcoming. Debtor does not anticipate applications for interim fees to their professionals pre-confirmation.

DATED this 18th Day of May, 2023.

Respectfully Submitted:

/s/ Theodore J. Piteo  
Michael D. O'Brien, OSB# 951056  
Theodore J. Piteo, OSB# 090311  
Of Attorneys for Debtors-in-Possession

**CERTIFICATE OF SERVICE**

I hereby certify that on May 24, 2023, I served the foregoing **Statement in Advance of Case Management Conference** on all the parties registered for ECF notice by filing the forgoing with the Court.

/s/Theodore J Piteo  
Michael D. O'Brien & Associates, P.C.  
Theodore J. Piteo, OSB #090311  
Of Attorneys for Debtors in Possession

## EXHIBIT A

### Cash Flow - 120 Day - Weekly Budget

Aloysius Fobi

23-30948-pcm11

	Weekly	Monthly	4 Month
<b>Est Income:</b>			
	\$3,500.00	\$14,000.00	\$56,000.00
<b>Total Income (4 Months):</b>			<b>\$56,000.00</b>
<b>Expenses:</b>			
Residence Mtg	Monthly	\$5,600.00	\$22,400.00
Property Taxes***	Monthly	\$320.00	\$1,280.00
Utilities	\$275.00	\$1100.00	\$4,400.00
Personal Care	\$31.25	\$125.00	\$500.00
Food	\$187.50	\$750.00	\$3,000.00
Transportation	\$125.00	\$500.00	\$2,000.00
Home Maintenance**	\$50.00	\$200.00	\$800.00
Insurance	\$281.25	\$1125.00	\$4,500.00
UST Fees	\$31.25	\$125.00	\$500.00
Car Payment	Monthly	\$850.00	\$3,400.00
Child Education	\$225.00	\$900.00	\$3,600.00
Residence 2nd Mtg***	\$245.00	\$980.00	\$3,920.00
<b>Total Expenses (4 Months):</b>			<b>\$50,300.00</b>

\*\*Debtor generally has more maintenance costs

\*\*\* Payments may not start until after confirmation

**EXHIBIT B**

In re Aloysius Fobi  
Debtor-in-possession

**23-30948-pcm11**

Historical Financial Information

Based on 2020 and 2021 Returns and Estimate for 2022

	<u>2020</u>	<u>2021</u>	<u>2022</u>
<b>INCOME</b>			
Business Income	-\$490,282	-\$498,250	-\$550,000
Wages	\$351,684	\$370,586	\$341,851
Interest Income	\$2,269	\$11	\$50
Other Gains/Losses	-\$3,204	\$42,518	\$89,000
Rental/Pass Through Income	-\$26,013	-\$15,166	-\$7,500
Farm Income	\$1,000	\$1,000	\$1,000
Cancellation of Debt	\$7,114	\$0	\$0
Taxable Refund	\$14	\$0	\$0
Capital Gain/Loss	\$190,228	\$71,286	\$102,000
Total Gross Income:	\$32,810	-\$28,015	-\$23,599
<b>EXPENSES</b>			
Mortgage Interest	\$48,254	\$32,371	\$37,320
Investment Int	\$2,463	\$0	\$0
Taxes*	\$10,000	\$10,000	\$10,000
Student Loan Int Ded	-\$2,500	\$0	\$0
Charity	\$1	\$2,635	\$850
Investment Exp	\$1,863	\$0	\$0
Total Expenses:	\$60,081	\$45,006	\$48,170
<b>NET CASH FLOW</b>	<b>-\$27,271</b>	<b>-\$73,021</b>	<b>-\$71,769</b>

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